

## GUIDELINES FOR PREPARING FINANCIAL STATEMENTS

### The Combined Statement of Financial Position for all Funds (Balance Sheet):

- A statement that includes all assets, liabilities, and fund equity of the district broken out by fund. The statement consists of:
  - **Current Assets** also referred to as liquid assets because they can be quickly converted into cash. These include:
    - Cash on Hand (if applicable) – cash count
    - Cash in Bank Accounts – reconciled to statements received directly from depositories
    - Certificates of Deposit – reconciled to certificates received directly from depositories
    - Accounts Receivable – Amounts **owed to** the district for a good or service **provided** prior to August 31<sup>st</sup>. This does not include supplemental requests since there is no guarantee that funding will be available for supplemental payments in a given year
  - **Fixed Assets** are tangible assets that cannot be quickly converted into cash but are items of value that a district has purchased to use over an extended period of time.
  - **Total Assets** are the sum of Current and Fixed Assets.
  - **Liabilities** are obligations from past transactions. These include:
    - Accounts Payable (short term) – Amounts **owed by** the district for a good or service **received** prior to August 31<sup>st</sup>. These liabilities are reasonably expected to be liquidated within a year.
    - Due to Other Funds (long term) – These liabilities are not reasonably expected to be liquidated within a year.
  - **Fund Equity** is the resulting value of assets after all liabilities have been liquidated. This includes:
    - Investment in Fixed Assets – value of tangible assets
    - Unreserved Fund Balance – Amount should match the ending fund balance on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances.
  - **Total Liabilities and Fund Equity** is the sum of Liabilities and Fund Equity. The sum must equal Total Assets

### **The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**

- Reports revenue and expenditure activity for each fund. This statement should be prepared in enough detail to identify and review revenue received and expenditures paid from each District Fund.
- The statement must reflect reasons for any significant changes in a District fund balance.
- The resulting balance for each district fund as of August 31, 2009 must match to a reconciled bank statement
- Must submit copies of reconciled bank statements that include August 31, 2009

### **The Schedule of Bonded Officials and Employees**

- All district directors authorized to sign checks on district accounts and district employees entrusted with funds or property should be bonded. This schedule verifies that the bonding requirement is being met.

### **Fixed Assets**

- Controlled Items are items that must have an inventory tag and be tracked for accounting purposes. The items that are Controlled (ranging from \$ 500.00 to \$4,999.99) are:
  - Stereo systems
  - Cameras
  - Video recorder/Laserdisk Player (tv,vcr,camcorder)
  - Desktop CPU
  - Printers
  - Data projectors
  - Portable CPU laptops
- If a single unit's acquisition cost is \$ 5,000 or greater, that item should be listed on inventory as a Capital Asset, and should be tagged as inventory.